

**Assembly Bill No. 2747**

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Passed the Assembly August 24, 2010

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*Chief Clerk of the Assembly*

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Passed the Senate August 23, 2010

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2010, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 5024.2 to the Penal Code, relating to prisoners.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2747, Bonnie Lowenthal. Prisoners: pharmacy services.

Existing law provides that it is the intent of the Legislature that the Department of Corrections and Rehabilitation, in cooperation with the Department of General Services and other appropriate state agencies, take prompt action to adopt cost-effective reforms in its drug and medical supply procurement processes, as specified. Existing law authorizes the Secretary of the Department of Corrections and Rehabilitation to adopt regulations requiring manufacturers of drugs to pay the department a rebate for the purchase of drugs for offenders in state custody that is at least equal to the rebate that would be applicable to the drugs under the federal Social Security Act.

This bill would provide that the Department of Corrections and Rehabilitation shall maintain and operate a comprehensive pharmacy services program for those facilities under the jurisdiction of the department that incorporates, among other things, a statewide pharmacy administration system with direct authority and responsibility for program oversight and a multidisciplinary, statewide Pharmacy and Therapeutics Committee with specified responsibilities. The bill would authorize the department to operate and maintain a centralized pharmacy distribution center, as specified. The bill would authorize the department to investigate and initiate potential systematic improvements in order to provide for the safe and efficient distribution and control of, and accountability for, drugs within the department's system. The bill would require the department to ensure that there is a program providing for the regular inspection of all the department's pharmacies to verify compliance with applicable rules, regulations, and other standards, as specified. The bill would require the department to report specified information to specified legislative committees relating to its pharmaceutical costs and its operation of a fully functioning and centralized pharmacy distribution center.

*The people of the State of California do enact as follows:*

SECTION 1. Section 5024.2 is added to the Penal Code, to read:

5024.2. (a) The Department of Corrections and Rehabilitation shall maintain and operate a comprehensive pharmacy services program for those facilities under the jurisdiction of the department that, at a minimum, incorporates all of the following:

(1) A statewide pharmacy administration system with direct authority and responsibility for program administration and oversight.

(2) Medically necessary pharmacy services using professionally and legally qualified pharmacists, consistent with the size and the scope of medical services provided.

(3) Written procedures and operational practices pertaining to the delivery of pharmaceutical services.

(4) A multidisciplinary, statewide Pharmacy and Therapeutics Committee responsible for all of the following:

(A) Developing and managing a department formulary.

(B) Standardizing the strengths and dosage forms for medications used in department facilities.

(C) Maintaining and monitoring a system for the review and evaluation of corrective actions related to errors in prescribing, dispensing, and administering medications.

(D) Conducting regular therapeutic category reviews for medications listed in the department formulary.

(E) Evaluating medication therapies and providing input to the development of disease management guidelines used in the department.

(5) A requirement for the use of generic medications, when available, unless an exception is reviewed and approved in accordance with an established nonformulary approval process.

(6) Use of an enterprise-based pharmacy operating system that provides management with information on prescription workloads, medication utilization, prescribing data, and other key pharmacy information.

(b) The department is authorized to operate and maintain a centralized pharmacy distribution center to provide advantages of scale and efficiencies related to medication purchasing, inventory control, volume production, drug distribution, workforce utilization,

and increased patient safety. The centralized pharmacy distribution center and institutional pharmacies shall be licensed as pharmacies by the California State Board of Pharmacy and shall meet all applicable regulations applying to a pharmacy.

(1) The centralized pharmacy distribution center shall include systems to do all of the following:

(A) Order and package bulk pharmaceuticals and prescription and stock orders for all department correctional facilities.

(B) Label medications as required to meet state and federal prescription requirements.

(C) Provide barcode validation matching the drug to the specific prescription or floor stock order.

(D) Sort completed orders for shipping and delivery to department facilities.

(2) Notwithstanding any other requirements, the department centralized pharmacy distribution center is authorized to do the following:

(A) Package bulk pharmaceuticals into both floor stock and patient-specific packs.

(B) Reclaim, for reissue, unused and unexpired medications.

(C) Distribute the packaged products to department facilities for use within the state corrections system.

(3) The centralized pharmacy distribution center shall maintain a system of quality control checks on each process used to package, label, and distribute medications. The quality control system shall include a regular process of random checks by a licensed pharmacist.

(c) The department may investigate and initiate potential systematic improvements in order to provide for the safe and efficient distribution and control of, and accountability for, drugs within the department's statewide pharmacy administration system, taking into account factors unique to the correctional environment.

(d) The department shall ensure that there is a program providing for the regular inspection of all department pharmacies in the state to verify compliance with applicable law, rules, regulations, and other standards as may be appropriate to ensure the health, safety, and welfare of the department's inmate patients. Corrective actions necessary to resolve any discrepancies or deficiencies shall be documented in writing and monitored by the department for compliance.

(e) On March 1, 2012, and each March 1 thereafter, the department shall report all of the following to the Joint Legislative Budget Committee, the Senate Committee on Appropriations, the Senate Committee on Budget and Fiscal Review, the Senate Committee on Health, the Senate Committee on Public Safety, the Assembly Committee on Appropriations, the Assembly Committee on Budget, the Assembly Committee on Health, and the Assembly Committee on Public Safety:

(1) The extent to which the Pharmacy and Therapeutics Committee has achieved the objectives set forth in this section, as well as the most significant reasons for achieving or not achieving those objectives.

(2) The extent to which the department is achieving the objective of operating a fully functioning and centralized pharmacy distribution center, as set forth in this section, that distributes pharmaceuticals to every adult prison under the jurisdiction of the department, as well as the most significant reasons for achieving or not achieving that objective.

(3) The extent to which the centralized pharmacy distribution center is achieving cost savings through improved efficiency and distribution of unit dose medications.

(4) A description of planned or implemented initiatives to accomplish the next 12 months' objectives for achieving the goals set forth in this section, including a fully functioning and centralized pharmacy distribution center that distributes pharmaceuticals to every adult facility under the jurisdiction of the department.

(5) The costs for prescription pharmaceuticals for the previous fiscal year, both statewide and at each adult prison under the jurisdiction of the department, and a comparison of these costs with those of the prior fiscal year.

(f) The requirement for submitting a report imposed under subdivision (e) is inoperative on March 1, 2016, pursuant to Section 10231.5 of the Government Code.





Approved \_\_\_\_\_, 2010

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*Governor*